

FILED

Clerk

District Court

DEC 21 2021

for the Northern Mariana Islands

By _____

(Deputy Clerk)

UNITED STATES DISTRICT COURT
FOR THE NORTHERN MARIANA ISLANDS

BETTY JOHNSON, on behalf of herself, and as
a representative of a class of similarly-situated
persons,

Plaintiffs,

v.

RALPH DELEON GUERRERO TORRES,
Governor of the Commonwealth of the Northern
Mariana Islands (“CNMI”), *et al.*,

Defendants.

CIVIL CASE NO. 09-00023

ORDER

On December 16, 2021, this case came before the court for a hearing, at which the Settlement Fund Trustee (the “Trustee”), Civile & Tang, PLLC, acting by and through its principal representative Joyce C.H. Tang, presented an overview of the status of the Settlement Fund. Ms. Tang reported that the CNMI Government continued to pay the minimum annual payments (“MAP”) set forth in the Settlement Agreement. For FY 2019 the government paid \$44 million, in FY 2020 the government paid \$42 million, and it paid another \$40 million in FY 2021. For the current FY 2022, the MAP is \$38 million, and the government has paid \$4.4 million to date. According to the Trustee, the Settlement Fund has not had to liquidate any of its investments to cover operational costs and benefit payments since December 2018 because the CNMI Government agreed to diligently make payments each week toward the MAP, and the government enacted Public Law 20-33 to establish a Settlement Fund Revolving Fund Account that uses gross revenue taxes to pay the MAP. The Trustee further reported that the Settlement Fund’s investment portfolio has

1 had a strong performance and achieved a return of 8.8% for this fiscal year. All of these factors
2 have extended the Settlement Fund's investment horizon. The Trustee further noted that while it
3 is not required under the Settlement Agreement, the CNMI Government continues to voluntarily
4 make the 25% benefit payments to the retirees.

5 The court is pleased with the status of this Settlement Fund. The court expresses its
6 gratitude to Governor Ralph Torres, the Northern Marianas Commonwealth Legislature and
7 Secretary of Finance David Atalig for their good governance and continued cooperation with the
8 Trustee and Lilian Pangelinan, the Settlement Fund's Administrator. The CNMI Government's
9 timely payments to the Settlement Fund evidences its commitment to the retirees, despite the many
10 financial hardships the government has had to face because of typhoons, the pandemic and the
11 casino's closure. In addition to the 75% payments guaranteed under the Settlement Agreement, the
12 retirees continue to receive the 25% benefit payments from the CNMI Government. The court
13 appreciates the hard work of these leaders in serving the needs of the retirees while balancing
14 competing interests of the entire community.

15 The court commends the Trustee and her staff for their hard work and diligence in ensuring
16 that the Class members receive the benefits due them. The Trustee has managed to keep operational
17 expenditures low, while retaining key knowledgeable employees with experience in the Settlement
18 Fund's operations. The court approves the Trustee's proposed budget for FY 2022 of \$43,067,507.

19 Finally, with regard to the pending administrative appeals, the court appoints the
20 Honorable Daniel P. Collins, United States Bankruptcy Judge for the District of Arizona, to assist
21 in mediating said administrative cases.

22 The court will schedule the next status hearing tentatively in May 2022. The Trustee and
23 counsel for the parties shall confer on a mutually agreeable date for such a hearing and thereafter
24 notify the court no later than April 1, 2022, so that the court can then set a more definite date for
25 the next status hearing.

26 IT IS SO ORDERED.



27 /s/ Frances M. Tydingco-Gatewood
Designated Judge
28 Dated: Dec 21, 2021